

US ARMY NAF EMPLOYEE BENEFITS PROGRAM



ANNOUNCEMENT OF

OPEN SEASON 2003

October 20th thru November 14th, 2003

*See Important
Details Inside*

U.S. Army Community & Family Support Center
NAF Employee Benefits Office
4700 King Street, 3rd Floor
Alexandria, VA 22302

OFFICIAL MAIL



US ARMY NAF EMPLOYEE BENEFITS PROGRAM



ANNOUNCEMENT OF

OPEN SEASON 2003

October 20th thru November 14th, 2003

Dear Nonappropriated Fund Employee;

The U.S. Army Community and Family Support Center, NAF Employee Benefits Office, will be conducting an Open Season this year. You, as an eligible NAF Employee, will be able to make certain benefit program elections and make certain changes to programs in which you currently participate. Your options are:

Health Benefit Plan

You may enroll in any of our Health Benefit Plans, either the DOD NAF Employee Health Benefit Plan (DODHBP) (often referred to as Aetna) or one of our Health Maintenance Organizations (HMOs). You may also change from the DODHBP to an HMO, from an HMO to the DODHBP, or from one HMO to another. The DODHBP is available in all locations. HMOs are available in the following locations:

Carlisle Barracks, PA	Keystone Health Plan
Fort Buchanan	Triple S
Fort Dix, NJ	Aetna US Healthcare HMO
Fort Hamilton, NY	Aetna US Healthcare HMO
Fort Hood, TX	Scott & White Health Plan
Fort Indiantown Gap, PA	Keystone Health Plan
Fort Monmouth, NJ	Aetna US Healthcare HMO
Hawaii	Hawaii Medical Service Association (HMSA)
Hawaii	Kaiser Permanente
National Capitol Region	Aetna US Healthcare HMO Plan
National Capitol Region	Kaiser Permanente Health Plan

You will also be able to make changes to your Health Benefit Plan coverage, including adding or deleting Dental coverage, increasing your coverage from single to family, decreasing your coverage from family to single, or canceling your coverage. All Health Plan changes and elections will be effective January 1st, 2004.

For Additional Information:

DODHBP Plan Information Packets for 2004 have been shipped to your local NAF personnel office. If you are currently enrolled in the DODHBP (Aetna) or are considering enrolling in the DODHBP, please stop by your servicing personnel office and request a Plan Information Packet for 2004. The packet includes plan changes for 2004 and other useful information about the DODHBP. The new premium rates for 2004 have increased only modestly compared to previous years. The employee/employer premium share split remains 30/70. The bi-weekly employee premium share for 2004 is:

Single: w/o Dental \$46.20 w/Dental \$49.48 Family: w/o Dental \$107.49 w/Dental \$115.26

To obtain your packet or additional information concerning the Health Benefit Plans available in your area, please contact your local servicing NAF Personnel Office. For information about the DOD Health Benefit Plan or premium rates for any of the plans, please consult our web site, www.NAFBENEFITS.com.

ANNOUNCEMENT OF

OPEN SEASON 2003

October 20th thru November 14th, 2003

Pre-Tax Health Premium Deductions:

The Internal Revenue Code Section 125 Pre-Tax Health Premium Program will continue in effect in 2004. This program allows you to pay your employee share of the Health Benefit Plan premium with pre-tax dollars, thus reducing your taxable income and increasing your take-home pay. This benefit will automatically continue in effect for 2004, unless you opt out of this program during this Open Season. Because the Internal Revenue Code does not allow canceling your plan participation during the Plan year, January 1 thru December 31, 2004, you will have the option of declining participation in the program and paying your Health Benefit Plan premiums with after-tax dollars during this open season. If you previously opted out of the Pre-Tax Premium Program and would like to continue to pay your premiums with after tax dollars, you need do nothing and your opt out election will carry over through 2004.

How to Decline Participation in the Pre-Tax Health Premium Program:

If you would like to decline participation in the Pre-Tax Health Premium Program, please contact your local servicing Civilian Personnel Office for assistance.

Life Insurance Plan

You may enroll in the Life Insurance and Accidental Death and Dismemberment Plan, without evidence of insurability. There are a number of coverages available, including basic and optional insurance.

Basic Life Insurance:

The Basic Life Insurance Plan gives you life insurance protection, accidental death and dismemberment coverage, and dependent life insurance coverage. You may choose one or two times your basic salary, rounded to the next higher \$1000, not to exceed \$250,000. The bi-weekly cost to the employee is 14 cents per thousand dollars of coverage. The policy pays the face amount in the event of your death. The accidental death and dismemberment benefit is the same as your basic coverage. This coverage pays benefits to your beneficiary in the event of your accidental death, or to you if you lose sight or a limb as a result of an accident. Dependent life insurance is included at no additional cost. The dependent coverage is \$5000 for your spouse and \$2500 for each eligible dependent child.

Optional Life Insurance:

If you have elected Basic Life Insurance, you may also purchase Optional Life Insurance in increments of \$10,000. You may choose an Optional Life Insurance amount up to two times the amount of your Basic Life Insurance coverage, not to exceed \$500,000. (*Evidence of insurability is required if you choose to purchase more than \$100,000 of Optional Life Insurance coverage*). The bi-weekly cost of Optional Life Insurance is based on your age and the amount of coverage you choose. Rates are available on the web site at www.NAFBENEFITS.com.

Optional Dependent Life Insurance:

During this Open Season, you may elect additional *Optional Dependent Life Insurance* coverage. Currently, if you have elected Basic Life Insurance, you automatically receive Dependent Life Insurance coverage, free of charge. Your spouse is covered for \$5000 and each of your eligible dependent children are covered for \$2500. You may also elect additional coverage for your spouse and children in increments of \$5000/\$2500 at a modest bi-weekly cost, up to a maximum of \$25,000 for your spouse and \$12,500 for your eligible dependent children. You must be enrolled in the Basic Life Insurance Plan to elect additional Optional Dependent Life Insurance coverage. If you enroll in the Basic Life Insurance Plan, the Optional Life Insurance, or the Optional Dependent Life Insurance Plans, your election will be effective January 1st, 2004, provided you are actively at work on or after January 1st, 2004. Optional dependent insurance rates are also listed on the Benefits web site.

ANNOUNCEMENT OF **OPEN SEASON 2003**

October 20th thru November 14th, 2003

For Additional Information:

For additional information concerning the Group Life Insurance Plan, please contact your local servicing NAF Personnel Office or consult our web site, www.NAFBENEFITS.com.

How to Enroll in the Life Insurance Plan:

If you would like to enroll in the Group Life Insurance Plan or make changes to your current Life Insurance Plan election, please contact your local servicing Civilian Personnel Office for assistance.

401(k) Plan Changes for 2003:

In accordance with the Economic Growth and Tax Relief Reconciliation Act, the maximum annual deferral for your 401(k) Savings Plan will be \$13,000 for calendar year 2004, an increase from the \$12,000 limit in 2003. Over age 50 plan participants may defer an additional \$3000 for a total of \$16,000. There is no percentage of salary limitation. Plan participants may change their deferral percentage at any time by contacting their servicing personnel office.

Group Long Term Care Plan:

The Group Long Term Care (LTC) Plan will not be offered under guaranteed issue during this Open Season. However, you may enroll yourself, your spouse, parents, grand parents and in-laws at any time with satisfactory evidence of insurability. The LTC Plan, offered by CNA, offers a wide range of features and benefit options at reasonable group rates, and your rates do not increase as you grow older. For additional information and a rate calculator, sign on to the CNA customized web site. This site can be accessed by clicking on the CNA Long Term Care logo on the Benefits web site at www.NAFBENEFITS.com. The NAF Benefits web site also has a special LTC section. Enrollment kits are available from your NAF Personnel Office or from CNA at 1-877-777-9072.

NAF Employee Retirement Plan:

You may enroll in the NAF Employee Retirement Plan at any time. Currently, nearly 80% of NAF employees are enrolled in the plan, which provides a generous benefit when you retire, without Social Security offset. If you don't remain in NAF employment until retirement eligibility, the Plan refunds all of your contributions with interest. To enroll and start earning creditable service for retirement, see your local servicing NAF personnel office.

Reminder – Please Keep Your Benefit Records Current:

Open Season is a good time to make sure your Benefit Records are accurate and in order. Your servicing NAF personnel office now has an on-line system they can use to review and update your benefit records. It is especially important that you maintain a correct address in your record. If your address is not accurate, you may be missing out on a lot of good information about your benefits. Of even greater importance is the accuracy of your beneficiary designations. Please make sure you have designated the beneficiaries you want to receive benefits should something happen to you. Your servicing personnel office can go on-line, display your benefit elections and information that are in the system, and update your information on the spot.

Effective Dates of Open Season Changes:

All Open Season changes to your life and health insurance will be effective January 1st, 2004, provided you are actively at work. Changes to your 401(k) plan election will be effective the first full pay period after receipt by Payroll. Retirement Plan enrollment is effective immediately on the date you sign the enrollment form.

**FOR MORE INFORMATION ON ALL YOUR BENEFIT PROGRAMS, PLEASE CONSULT THE
WEB SITE WWW.NAFBENEFITS.COM OR CALL OUR TOLL FREE NUMBER (877) 384-2340**